



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 1
5 POST OFFICE SQUARE, SUITE 100
BOSTON, MA 02109-3912

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

March 30, 2011

Albert R. Casazza, President
Block Island Power Company
100 Ocean Avenue
Block Island, Rhode Island 02807

Re: Clean Air Act Testing Order

Dear Mr. Casazza:

The United States Environmental Protection Agency ("EPA") has completed its review of the final stack test report submitted by Block Island Power Company ("BIPCO") to the Rhode Island Department of Environmental Management ("RI DEM") and EPA on or around October 14, 2010, regarding the stack testing that occurred at BIPCO on August 31, 2010 and September 1, 2010. Based on this review, EPA has determined that BIPCO has not demonstrated compliance.

Section 114(a)(1) of the Clean Air Act ("the Act"), 42 U.S.C. Section 7414(a)(1), gives EPA the authority to require an emission source to perform testing to demonstrate compliance with the Act. This letter contains such a testing order.

Testing Order

This Testing Order ("TO") requires BIPCO to sample and test emissions of nitrogen oxides ("NOx") and ammonia slip from Engines #22 (if it becomes operational again prior to the test date for the other engines), #23, #24, #25, and #26. Within the number of days specified in each paragraph below, BIPCO is required to provide all the information and take the steps outlined below.

1. Within seven (7) days of receipt of this TO, contact EPA's Bill Osbahr, at (617) 918-8389, to schedule a pre-test conference. At the pre-test conference, EPA will review with BIPCO the various sampling, monitoring, testing, and analysis locations, procedures, and methods to be followed on the date(s) of the testing.
2. Within thirty (30) days of receipt of this TO, prepare and mail to EPA a testing protocol, subject to EPA approval, for testing emissions of NOx and ammonia slip from Engines #22, (if applicable), #23, #24, #25, and #26.

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3. Within 45 days of receipt of this TO, BIPCO shall revise and resubmit the sampling protocol in accordance with any written EPA comments or required changes. EPA shall approve, approve with conditions, or disapprove BIPCO's test protocol in writing.
4. Within sixty (60) days of receipt date of this TO, attend a pre-test conference with EPA, and schedule the testing date(s).
5. Within ninety (90) days of receipt of this TO, conduct testing according to the procedures in the EPA approved test protocol. EPA and BIPCO may agree to extend the period of time allowed to perform stack testing of all applicable engines. Under no circumstances will the retesting of Engines #22 (if applicable), #23, #24, #25, and #26 for NOx and ammonia slip go beyond September 30, 2011.
6. Within thirty (30) days of completing the testing, submit a complete test report to EPA.
7. During the testing of Engine #25:
 - a. BIPCO shall operate Engine #25 in a manner which is representative of normal operation. Engine #25 shall be operated at a rate that is at least 90% of its maximum design heat input capacity, and operating parameters including fuel rates, heat input capacities, and operating procedures shall be consistent with representative normal operating conditions. BIPCO shall document any deviation from the normal representative operation of Engine #25 during testing and provide an explanation in writing;
 - b. BIPCO shall operate the SCR system associated with Engine #25 during testing to minimize NOx emissions.
8. During the testing of Engines #22 (if applicable), #23, #24, and #26:
 - a. BIPCO shall operate Engines #22 (if applicable), #23, #24, and #26 in a manner which is representative of normal operation. Engines 22 (if applicable), #23, #24, and #26 shall be operated at a rate that is at least 75% of its maximum design heat input capacity, and operating parameters including fuel rates, heat input capacities, and operating procedures shall be consistent with representative normal operating conditions. BIPCO shall document any deviations from normal representative operation from Engines #22 (if applicable), #23, #24, and #26 during testing and provide an explanation in writing;
 - b. BIPCO shall operate the SCR systems associated with Engines #22 (if applicable), #23, #24, and #26 during testing to minimize NOx emissions.
9. The testing shall be conducted using EPA approved methods and performance specifications. To measure ammonia slip, BIPCO shall use Conditional Test Method ("CTM") 027.

10. The testing shall follow the April 27, 2009 stack test guidance which can be found at:
<http://www.epa.gov/compliance/resources/policies/monitoring/caa/stacktesting.pdf>

Attachment A to this TO provides lists of required elements for pre-test protocols and test reports.

This testing order is not subject to Office of Management and Budget review under the Paperwork Reduction Act, and applies to BIPCO and its partners, officers, employees, agents, successors and assigns.

BIPCO may, if desired, assert a business confidentiality claim covering part or all of the information requested, in the manner described by 40 C.F.R §2.203(b). Information subject to such a claim will be disclosed by EPA only to the extent, and by means of the procedures, set forth in 40 C.F.R. Part 2, Subpart B. Note that certain categories of information, such as emissions data, are not properly the subject of such a claim. If no such claim accompanies the information when it is received by EPA, the information may be made available to the public by EPA without further notice to BIPCO. Please be aware that states may have different rules and regulations governing the protection of confidential business information.

Submit the above-required test protocol and final test report to:

Susan Studlien, Director
Office of Environmental Stewardship
U.S. Environmental Protection Agency, Region 1
5 Post Office Square, Suite 100
Mail Code OES04-2
Boston, MA 02109-3912
Attn: Tom McCusker, Environmental Engineer, Air Technical Unit

And

Bill Osbahr, Environmental Engineer
Office of Environmental Measurement and Evaluation
U.S. Environmental Protection Agency, Region I
11 Technology Drive
Mail Code EIA
North Chelmsford, MA 01863-2431

And

Ted Burns, Supervising Air Quality Specialist
Office of Air Resources
Rhode Island Department of Environmental Management
235 Promenade Street, Room 230
Providence, RI 02908

If you have any questions regarding this letter, please contact Tom McCusker, at (617) 918-1862, or have your attorney call Thomas Olivier, Senior Enforcement Counsel, at (617) 918-1737.

Sincerely,

A handwritten signature in cursive script that reads "Susan Studlien".

Susan Studlien, Director
Office of Environmental Stewardship

cc: Doug McVay, RI DEM
Ted Burns, RI DEM
Bill Osbahr, EPA, OEME

Enclosures